

(SRI M. V. RAMA RAO)

not gone to their rescue. You were kind enough to suggest that they might come to your ante-chamber adjoining to the Legislative Assembly Hall. They did not accept. Therefore they had to be removed to another place where protection could be given to them from those who are hostile to them or who are likely to commit acts which may injure their personal safety. I hope no Hon'ble Member of this House would want that Members of the Maharashtra Ekikarana Samithi should go with any bodily harm or any other injury consequent upon their desire to stage a demonstration which is wholly unnecessary, because any agitation any speech or sponsoring of any motion or resolution in any matter in which they are interested can be done on the floor of the House with your permission according to the rules of business of this House. I said earlier there is nothing like a right to stage protest or to undertake a fast and no such rights are guaranteed anywhere and any one who is interested in undertaking a fast or staging a demonstration or lodging a protest in a manner which he considers as right must be prepared to take the consequences. I am not closing this matter to-day and this could be dealt with on Monday.

Mr. SPEAKER.—I reserve it for Monday. Now the debate on the Entertainment Tax (Amendment) Bill will Commence.

MYSORE ENTERTAINMENT TAX (AMENDMENT) BILL, 1966.

(Motion to consider—Contd).

†ಶ್ರೀ ಎಚ್. ಆರ್. ಕೇಶವಮೂರ್ತಿ.—ಮಾನ್ಯ ಅಧ್ಯಕ್ಷರೇ, ಇವತ್ತಿನ ದಿವಸ ಮಂಡಿಸಿರತಕ್ಕ ಬರಾನ್ financial memorandum ನಲ್ಲಿ ಬರ್ಚು ಎಪ್ಪು ಆಗುತ್ತದೆ. ಎಂದು ಹೇಳಲಿಲ್ಲ. ಈ ಬಿಲ್ಲನ್ನು ತಿರುತಿ ಹಾಕಿ ನೋಡಿದರೆ Original Definitions ನಲ್ಲಿ entertainment ಎಂದರೆ ಈ ರೀತಿ ಹೇಳುತ್ತಾರೆ. “entertainment” includes any exhibition, performance, amusement, game, sport or race to which persons are admitted for payment ;

ಮುಖ್ಯವಾಗಿ ಈಗಿನ ಡೆಫಿನಿಷನ್‌ನಲ್ಲಿ ಅಮೂಸಿಮೆಂಟ್ ಕೈಬಿಟ್ಟಿದ್ದಾರೆ. ನಾನು ಕೇಳುವುದು amusement entertainment ಅಲ್ಲವೇ? amusement ಬಿಟ್ಟರೆ ಟ್ಯಾಕ್ಸ್ ಕಡಿಮೆಯಾಗುತ್ತದೆ. ಅದರಂತೆ Exhibition ನಲ್ಲಿ ಕೂಡಬೇಕಾದಷ್ಟು ಆದಾಯ ಬರುತ್ತದೆ. ಅವರು ಟ್ಯಾಕ್ಸ್ ತೊಂದರೆ ಯಾಗುವುದಿಲ್ಲ. ಈ ಆದಾಯವನ್ನು ಕೈಬಿಟ್ಟರೆ ಸರ್ಕಾರಕ್ಕೆ ನ್ಯಾಯವಾಗಿ ಬರುವ ಆದಾಯ ಕುಂಠಿತ ವಾಗುತ್ತದೆ ಎಂದು ಹೇಳುತ್ತೇನೆ. ಆದ್ದರಿಂದ ಈಗರಾದರೂ amusement and exhibition ಇವೆರಡನ್ನೂ ಡೆಫಿನಿಷನ್‌ನಲ್ಲಿ ಸೇರಿಸಬೇಕು ಎಂದು ಕೇಳಿಕೊಳ್ಳುತ್ತೇನೆ.

ಇನ್ನು Statement of objects and reasons ನಲ್ಲಿ magic shows and dances etc. ಇವುಗಳಿಗೆ ಉತ್ತೇಜನ ಕೊಡಲು ಅವುಗಳ ಮೇಲೆ ಟ್ಯಾಕ್ಸ್ ಹಾಕುವುದನ್ನು ಕೈಬಿಟ್ಟಿದ್ದೇವೆಂದು ಹೇಳಿದ್ದೀರಿ. magic shows and dances etc. ಗಳನ್ನು ಏತಕ್ಕೆ ಮಾಡುತ್ತಾರೆ? They exploit people and take money from them- ಆ exploitation ನಲ್ಲಿ ಒಂದು ಭಾಗ ವನ್ನು ಸರ್ಕಾರ ತೆಗೆದುಕೊಂಡರೆ ಅವರಿಗೆ ಏನು ಸವ್ವವಾಗುತ್ತದೆ? ಅದ್ದರಿಂದ ಇಂತಹ exploitation ಮೇಲೆ ಟ್ಯಾಕ್ಸ್ ಹಾಕುವುದು ನ್ಯಾಯಬದ್ಧವಾದುದು ಎಂದು ಹೇಳುತ್ತೇನೆ. ಅದಕ್ಕಾಗಿ dances and magic shows ನ್ನು ಕೂಡ ಈ definition ನಲ್ಲಿ ಆಳವಡಿಸಬೇಕು ಎಂದು ಸಲಹೆ ಮಾಡುತ್ತೇನೆ.

ಇನ್ನು Rates of Taxes ವಿಚಾರ. ಕ್ಲಾಸ್ ಮೂರರಲ್ಲಿ ಹೇಳಿದ್ದಾರೆ: Where the payment does not exceed 50 paise, 20 per cent of such payment ಎಂದು ಹೇಳಿದ್ದಾರೆ. ಸಾಮಾನ್ಯವಾಗಿ ಬಹಳ ಕಡಿಮೆ ಇರತಕ್ಕಂತ ಈ ಒಂದು ಕ್ಯಾಟಗರಿಗೆ ಸ್ವಲ್ಪ ಪರ ಸೆಂಟೀಜ್ ಕಡಿಮೆ ಮಾಡಬೇಕು ಎಂದು ಹೇಳುತ್ತೇನೆ.

12-00 NOON.

ಸಾಮಾನ್ಯವಾಗಿ ಬಡವರು, ಚ ಕೂಲಿಗಾರರು ಹಗಲೆಲ್ಲಾ ದುಡಿದು ಏನೋ ಮನರಂಜನೆ ಗಾಗಿ ಬರುತ್ತಾರೆ. ಅವರ ಎಕನಾಮಿಕ್ ಕಂಡೀಷನ್ಸ್ ಅಷ್ಟು ಚೆನ್ನಾಗಿ ಇರುವುದಿಲ್ಲ. ಅಂಥವರು ನೋಡುವ ಮನರಂಜನೆಗಳ ಬಗ್ಗೆ 20 ಪರ್ಸೆಂಟು ಟ್ಯಾಕ್ಸ್ ಹಾಕಬಾರದು. ಸಿನೆಮಾ ಪ್ರೊಪ್ರೈಟರಿ ಈ ರೀತಿ ಟ್ಯಾಕ್ಸ್ ಜಾಸ್ತಿಮಾಡಿದಾಗ ಅವರೂ ಜಾಸ್ತಿಮಾಡಿ ಅದರ ಅನುಕೂಲತೆಯನ್ನು ಸಿನೆಮಾ ಮಾಲೀಕರೇ ತೆಗೆದುಕೊಳ್ಳುವುದಕ್ಕೆ ಬಿಡಲಾರದು. ಅಂತಹ ಒಂದು ಯೋಜನೆ ಮಾಡಿ ತೆರಿಗೆ ಯನ್ನು 10 ಪರ್ಸೆಂಟಿಗೆ ಇಳಿಸಬೇಕು ಎಂದು ಸಲಹೆ ಮಾಡುತ್ತೇನೆ.

ಕ್ಲಾಸ್ 450 ರಲ್ಲಿ ಸಾವಿರ ಜನಸಂಖ್ಯೆ ಇರುವ ಸಿಟಿಗಳಿಗೂ ಮತ್ತು ಕಡಮೆ ಜನಸಂಖ್ಯೆ ಇರುವ ಟೌನ್‌ಗಳಿಗೂ ಒಂದೇ ರೀತಿಯಾಗಿ 5 ರೂಪಾಯಿ ಸರಫಾರ್ಜ್ ಹಾಕಿದ್ದಾರೆ. ಆದರೆ ಬೆಂಗಳೂರಿ ನಲ್ಲಿ ಫಸ್ಟ್ ಕ್ಲಾಸ್ ಥಿಯೇಟರಿಗೆ 10 ರೂಪಾಯಿ ಹಾಕಿದ್ದಾರೆ ಮತ್ತು ಇತರ ಥಿಯೇಟರ್‌ಗಳಿಗೆ 5 ರೂಪಾಯಿ ಹಾಕಿದ್ದಾರೆ. ಯಾವಾಗಲೂ ಕೂಡ ಜನಸಂಖ್ಯೆಯ ಮೇಲೆ ಪಟ್ಟಣದ ಎಕನಾಮಿಕ್ ಸ್ಟ್ಯಾಂಡರ್ಡ್ ಜಡ್ಡು ಮಾಡುವುದಕ್ಕಾಗುವುದಿಲ್ಲ. ಬೆಂಗಳೂರಿನಲ್ಲಿ ಆದಾಯ ಬರತಕ್ಕ ಮಾರ್ಗಗಳು ಅನೇಕ ಇವೆ. ಆದುದರಿಂದ ಅಲ್ಲಿರುವ ಜನರ ಎಕನಾಮಿಕ್ ಸ್ಟ್ಯಾಂಡರ್ಡ್ ಜಾಸ್ತಿಯಾಗಿರುತ್ತದೆ. ಬೇರೆ ಬೇರೆ ಪಟ್ಟಣಗಳಲ್ಲಿ ಅಷ್ಟು ಸ್ಟ್ಯಾಂಡರ್ಡ್ ಇರುವುದಿಲ್ಲ. ಬೆಂಗಳೂರಿಗೂ ಬೇರೆ ಪಟ್ಟಣಕ್ಕೂ ಟ್ಯಾಕ್ಸ್‌ನಲ್ಲಿ ಡಿಸ್‌ಪಾರಿಟಿ ಇರಬೇಕು ಎಂದು ನನ್ನ ಸಲಹೆ. 5 ರೂಪಾಯಿ ಬೆಂಗಳೂರು ಸಿಟಿಗೆ ಮಾಡಿದ್ದಾರೆ. ಅದರಂತೆ with a population of 20 thousand or more—3 ರೂಪಾಯಿ ಗಳನ್ನು ಹಾಕಿದ್ದಾರೆ. ಇವೆರಡಕ್ಕೂ ಮಧ್ಯದಲ್ಲಿ—for towns with a population of 50 thousand and more 3½ ರೂಪಾಯಿ ಹಾಕಿದರೆ ಚೆನ್ನಾಗಿರುತ್ತದೆ ಮತ್ತು ಅದು ನ್ಯಾಯವಾಗಿ ರುತ್ನೆ ಎಂದು ಭಾವಿಸುತ್ತೇನೆ. ಕಾಂಪ್ಲಿಮೆಂಟರಿ ಟೆಕ್ಸ್ ವಿಷಯದಲ್ಲಿ ಕೆಲವು ಮಾರ್ಪಾಡುಗಳನ್ನು ತೆಗೆದುಕೊಂಡು ಬಂದಿದ್ದಾರೆ. ಅದು ಒಳ್ಳೆಯದು. ಕಾಂಪ್ಲಿಮೆಂಟರಿ ಪಾಸಿನ ಮೂಲಕ ಟ್ಯಾಕ್ಸ್ ಅವಾಯಡ್ ಮಾಡುವುದಕ್ಕೆ ಅವಕಾಶ ಇರುವುದರಿಂದ ಅದಕ್ಕೆ ಇನ್ನೂ ರಿಜಿಡ್ ಮೆಷರ್ಸ್ ತೆಗೆದು ಕೊಳ್ಳಬೇಕು. ಕಾಂಪ್ಲಿಮೆಂಟರಿ ಪಾಸಿನ ಮುಖಾಂತರ ದೇಶಕ್ಕೆ ಟ್ಯಾಕ್ಸ್ ಬರುವುದು ಕಡಿಮೆಯಾ ಗುತ್ತದೆ! ಆದ್ದರಿಂದ ರಿಜಿಡ್ ಮೆಷರ್ಸ್ ತೆಗೆದುಕೊಳ್ಳಬೇಕು ಎಂದು ಸಲಹೆ ಮಾಡುತ್ತೇನೆ. ಟ್ಯಾಕ್ಸ್ ಇವೇಷ್ಟೆಗೆ ಬರೇ ಫೈನ್ ಹಾಕಿದ್ದಾರೆ. ಇನ್ನೂ ಉಗ್ರವಾದ ಶಿಕ್ಷೆಯನ್ನು ಕೊಟ್ಟರೆ ಇದು ಕಡಿಮೆಯಾಗುತ್ತದೆ. ಸರ್ಕಾರದವರು ಟ್ಯಾಕ್ಸ್ ಹಾಕುವುದಕ್ಕೆ ಎಷ್ಟು ಬುದ್ಧಿ ಉಪಯೋಗಿಸು ತ್ತಾರೋ ಟ್ಯಾಕ್ಸ್ ಅವಾಯಡ್ ಮಾಡುವುದಕ್ಕೂ ಜನಗಳು ಅಷ್ಟೇ ಬುದ್ಧಿ ಉಪಯೋಗಿಸುತ್ತಾರೆ. ಸರ್ಕಾರದವರು ಅವರಿಂದ ಅನೇಕ ಪಾಠಗಳನ್ನು ಕಲಿತುಕೊಳ್ಳುತ್ತಾರೆ. ಇದು ಒಂದು ದುರಭ್ಯಾಸ ವಾಗಿದೆ. ಈ ದುರಭ್ಯಾಸವನ್ನು ತಪ್ಪಿಸುವುದಕ್ಕೋಸ್ಕರ, ಅಪರಾಧವನ್ನು ಬರೇ ದುಡ್ಡಿನಮೇಲೆ ಅಳತೆ ಮಾಡಬಾರದು. ಇದು ದೊಡ್ಡ ಅಪರಾಧವೆಂದು ಪರಿಗಣಿಸಿ ಜುರ್ರಾನೆ ಕೊಡುವುದರ ಜೊತೆಗೆ, ಸಜಾ ಸಹ ಮಾಡಬೇಕೆಂದು ಕಾನೂನುಮಾಡಿದರೆ ಇವೇಷನ್ ಕಡಿಮೆಯಾಗುತ್ತದೆಂದು ಭಾವಿಸುತ್ತೇನೆ.

†Sri ANNA RAO GANAMUKHI.—Sir, in this Bill, there are various provisions which require the attention of the Government. In the first place, Sir, this Bill infringes upon the privileges of the local bodies to have their income increased by resorting to these taxes.

Mr. SPEAKER.—Is it a positive encouragement or negative encouragement?

Sri ANNA RAO GANAMUKHI.—Whether it is positive or negative, at the time of general discussion, I think policy matter should be discussed. Now, Sir, the scheme of this Bill is to increase the levy or surcharge on entertainment tax by 25 per cent. This surcharge levy is

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entirely going to the consolidated fund of the State. Now as regards income tax, we are taking the stand that the shareable income in the share of the State Government is reduced by imposing surcharge on income. Therefore, no surcharge should be levied or if it is levied must be shareable with the State Government. On the same analogy, I do not know Sir why any share has not been given to the local bodies in the entertainment surcharge which the Government is levying on this tax. Is it because the local bodies are financially sound that this tax is not shareable with them? Is it because the State Government is financially very weak and so this tax is being appropriated or being used solely by the State? This is a very peculiar position being created by the State Government by entrenching on such of the taxes which are entirely meant for the local bodies. May I state here Sir that the Taxation Enquiry Commission made the recommendation that the Entertainment tax should be entirely left for the utilisation of the local body. May I ask the State Government whether they are going to throw into the winds these recommendations of the Taxation Enquiry Committee? Have they made the recommendation in the interest of the local body or in the interest of somebody else? In order to place the local body on a sound footing financially, they have said that these taxes should be left entirely to local bodies so that they may develop them. Instead the State Government is slowly encroaching upon the sources of the local bodies. Recently, we imposed building tax; we imposed urban land tax. Now we are going to impose this surcharge for somebody else, for utilising that amount for film industry or for some other industry. This is not at all a desirable policy for the Government to do. Even 1962 Act says that this surcharge should go entirely to the Consolidated Fund of the State. Now Sir, even in the case of show tax what is it that is being done? Show tax also goes entirely to the Consolidated Fund of the State. Is it a correct attitude on the part of the State Government? It is against the interest of the local bodies. I do not think it is desirable to encroach upon these sources of the local bodies. I have a great doubt Sir, that the State Government will never allow these local bodies to develop financially, they want that they must be in a constant state of poverty, they should not stand on their own legs and they should not function efficiently. In this way, they also defeat the purpose for which they have created these local bodies.

Now Sir, as far as the Show Tax is concerned, the rate has been increased from Rs. 2.50 to Rs. 10. Sir, it does not stop with the city level, but it goes to the town level, it goes to the village level—town panchayat and village panchayat. I want to ask the Government whether it is permissible or whether it is desirable on your part not to credit the show tax to the panchayat but to appropriate it to the State treasury? Therefore Sir, I should say that some fair allocation may be made. I have absolutely no grouse that you are taxing. If you want to increase it to 20, I have no grouse, because this affects exhibitors of cinema and

whatever profits they earn, they will be able to give out of that show. But one thing I should say that this must be sharable with the village panchayat and town panchayat and also with the City Corporations and at all levels it must be shared with the local bodies.

As far as the entertainment tax itself is concerned, about 90 per cent will go to local bodies. I have nothing to say. But as far as the surcharge is concerned, I do say that this will impinge upon the cinema goers and specially on those drawn from the lower income groups. If it is imposed on a slab basis and if those with low income groups are exempted from this and the 20 per cent is done away with and I think that would be correct. The Government is not going to do it. On the whole, they want 50 per cent surcharge should be imposed even on the lowest ticket, even on those which carry lower value. Is it not discouraging to the lowest income groups from attending cinemas? If we go to the cinema, we see a number of people who are waiting at the doors to purchase tickets of the lowest denominations. This surcharge will impinge upon them. You may increase the rate of surcharge on those who are purchase higher denomination tickets. Rs. 3 or Rs. 2. I have no grouse. Have some slab and abolish the surcharge on those who purchase lowest denomination tickets. Everywhere, even the Taxation Enquiry Committee says that substantial income is derived from the lowest income groups who attend cinemas. Therefore, I think this surcharge should be levied on some slab basis and not on a flat basis of 25 per cent. Now you say 50 per cent. on whoever goes to the cinema, whether he purchases tickets of small denominations or bigger denominations, whatever be the value of the ticket, he must be prepared to bear the burden of surcharge of 50 per cent. I think it is not a progressive legislation. The principle of progressive legislation should be followed in every taxation measure. Government is not well-advised in doing this. Sir, one thing which I wanted to say the Cinema Enquiry Committee also has said that surcharge should not exceed 20 per cent of the price of the ticket of the entertainment. Here it is going to increase by 50 per cent.

Sri RAMAKRISHNA HEGDE.—It is 50 per cent of the tax.

Sri ANNA RAO GANAMUKHI.—Yes. Even that should not be done. That is what I am saying.

If one purchases a ticket for Rs. 3 he will have to pay 0.90 P. as tax and 0.45 P. as surcharge. That is in all Rs. 1.45 he has to pay on the ticket of the value of Rs. 3. If we work it out, it comes to $\frac{1}{3}$ of the price of the ticket itself. I think it is definitely a discouragement to the cinema-goers. I certainly welcome the entertainment tax. I only find that the definition of the term entertainment has been circumscribed and limited to horse race and cinema. This has been done with a view that the State is not deriving income from any other source because Government is philanthropic in not collecting money from any other source. Therefore this restriction only to cinema-goers and horse-race is a welcome sign. It has restricted its scope only to two items. All the same, what I

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say is that the Government should share the show tax and surcharge with the local bodies; for the levy of surcharge, have a slab system and then if you can, do not touch the lower denomination tickets. If you want to have it for lower tickets, you must do away with even the surcharge or have the same surcharge which you had formerly.

Therefore Sir, I should say if the Government wants the film industry to be encouraged, then I think it should not be at the cost of these people. The low income-group are the people who contribute mostly towards the entertainment tax. These considerations should have weighed with the Government in bringing this Bill. But I am very sorry to say that the Government instead of having these considerations before it, has come forward with a flat rate increase in the show tax as also in the surcharge.

Mr. SPEAKER.—Sri Siddiah Kasimath is not here. Sri C. J. Muckannappa is not here, Sri G. V. Gowda may speak.

† Sri G. V. GOWDA.—Sir, I find that a radical change is sought to be introduced in the Mysore Entertainment Tax legislation. The very idea of changing the definition of the word Entertainment is ill-conceived. Sir, in order to encourage musical performances, it was omitted from the scope of the entertainment tax. The word entertainment was defined to include any exhibition, performance, amusement, game, sport or race to which persons are admitted on payment. In fact in exhibitions, admissions are made on payment and the Government will be quite proper in levying this kind of tax on Exhibitions, because it gets a lot of money by way of admission. Why should the tax be not imposed on exhibitions? I wish to ask the Finance Minister why this tax should not be made applicable to exhibitions because admission is made on payment. Why should amusements such as exhibitions be exempted from the levy of this tax under this Act, I do not understand, Sir. If you confine the meaning of entertainment only to horse race and cinema shows, I do not think, it will fit in well with the definition. I request you to see that the original definition is retained.

Sir, the Village Panchayats Act of 1959 also empowers the local bodies to levy tax on fairs, festivals and entertainment. By adopting a resolution and observing the formalities mentioned there they can levy tax on entertainment. Suppose a cinema theatre is there, on cinema shows, they can put this tax. When they are allowed under the Mysore Village Panchayats Act to levy tax on cinema shows, under this Act, we also levy tax—cinema tax. Then, would it not amount to double taxation? Would it not constitutionally be opposed? That is my basic question to the Minister for answering. I have seen several Village Panchayats levying the show tax by adopting a resolution. But under this Act, we will be doubly taxing the cinemas and it is opposed to the constitutional spirit. How far Government is

justified in levying show tax when local bodies are empowered to levy on cinema shows, fairs, festivals, etc., has to be shown.

The basic idea of having this Statute is to see that local bodies, within whose jurisdiction this entertainment is held are financially helped. Section 17 of the 1958 Act says that 90 per cent of the tax should go to the local bodies. But under clause 3 (a) and 4 of this Act, the proceeds of the entire entertainment tax should be credited to the Government. We are therefore going against the very legislative enactment, in getting these amendments passed. This is ill-conceived because, the State Government is not expected to take the proceeds which are legitimately due to the local authorities within whose jurisdiction the entertainment takes place. Under clause 3 (a) and 4, the Government is not legitimately bringing an amendment like this irrespective of the value of the amount involved. Fundamentally it belongs to the local bodies. Government must empower them under a Statute to collect and on the collection charges, Government is entitled to ten or fifteen per cent. But here under section 3 (a) and 4 have the entire proceeds must go to the Consolidated Fund of the State which means, we are negating the intentions of the original Act. Therefore, I oppose clause 3 (a) and 4 and so far as the changes are concerned. Even in respect of 3 (a), additional surcharge was only 25 per cent. This is sought to be raised by 100 per cent, i.e., 50 per cent of the tax on such entertainments tax shall be levied, and that goes to the Government. Why should not a portion of it be apportioned to the local authorities? Thereby, it contravenes the very spirit with which the original Act was made.

So far as show-tax is concerned, when surcharge is raised by 50 per cent, the cinema owner raises the value of the tickets. He is not willing to give from his pockets. It is said here that the show tax has to be paid by the owner or proprietor. But, as soon as this becomes a strain on his pocket, naturally, he will enhance the rate of the tickets. Is there any rule that the cinema rates should not be enhanced? There is no law or rule stipulating the limit within which the value of the tickets is supposed to remain. We can say that the proprietor has to pay the tax. Ultimately, he will enhance the value of the tickets with the result that it falls on the cinema goers alone. Most of the cinema goers are middle class and lower class people. The upper class are able to pay. But here the question is how far it affects the common man. The Minister may say that we are not levying the tax on the cinema goer. But, since the burden is on the proprietor, he naturally enhances the rate of entertainment, and the result is, it affects the cinema goer. With these observations, I submit that sections 3 (a) and 4 should not be there. By levying such a tax, Government has not taken into consideration the repercussions on the cinema. They say in order to encourage the film industry, this has to be done. But I do not know whether it really helps the film industry. How much amount will be realised, we do not know. Whether Government could safely give that

(SRI G. V. GOWDA)

amount to construct studios or encourage film industry, I do not know anything. What are the methods by which Government are willing to encourage film industry by this show tax, I do not know. It is double taxation and it is going against the spirit of the Constitution and it affects the cinema goer.

SRI RAMAKRISHNA HEGDE.—Sir, I am glad that the members who spoke on this Bill have generally welcomed the same. The most important point raised during the discussion was by Mr. Anna Rao. He said that by raising the surcharge, Government is going to deprive the local authorities or bodies of their legitimate income. Sir, the Hon'ble Member is perhaps not aware that 90 per cent of the entertainment tax will go to the local bodies whether it is a corporation or a municipality or any other local body.

12-30 P.M.

The surcharge and Show Tax are not shared with the local bodies even according to the provisions of the existing Act. Only ten per cent is retained to meet the establishment charges in regard to collection of taxes and enforcement of the provisions of the Act. The surcharge that is sought to be enhanced is opposed on the ground that it will ultimately be passed on to the cinema goers. One thing that I would like to inform the Hon'ble Members is that the surcharge is not on the value of the ticket but on the entertainment tax. Therefore, the poor people who go to cinema houses with the lowest denomination tickets will not be affected so much because proportionately the surcharge will be reduced. Therefore, there is no force in that contention also. The Hon'ble Member Sri G. Anna Rao will be happy to know that the Government has increased the grant-in-aid to local bodies towards the Dearness Allowance this year from Rs. 24 lakhs to 60 lakhs. Does it show that the Government wants to cripple these institutions or does it show that the Government realises the difficulties of these institutions and wants to help them? The other suggestions are according to me made only by way of opposing the Bill and they have not much force. Therefore, I request the House to approve the Bill.

ARREST OF MEMBERS

Announcement.

MR. SPEAKER.—Before I proceed to the next stage, I wish to inform the House that an intimation has been received with regard to the arrest of the members Sri B. R. Sunthakar, Sri B. P. Kadam, Sri L. B. Birje, Sri Babu Rao Ananda Rao Hulsoorker and N. O. Samaji. I have received it at 12-25 P.M.

With regard to this Bill under consideration I wish to inform the House that the Governor has recommended this Bill in his communication dated 25th March 1966.